



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

June 15, 2004

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors and Commissioners:

**ADOPT RESOLUTIONS APPROVING ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR SENIOR HOUSING DEVELOPMENT IN THE
CITY OF SAN FERNANDO (3)
(3 Vote)**

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

Adopt and instruct the Chairman to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an amount not exceeding \$6,600,000, to Aszkenazy Development, Inc., (the Developer) to finance the site acquisition and construction of San Fernando Senior Housing, a 98-unit affordable senior rental housing development to be located at three sites, known as the Las Palmas I, Las Palmas II, and Park Avenue parcels, in the City of San Fernando.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY:

1. Adopt and instruct the Chairman to sign a Resolution, as required under Sections 1.142-4 and 1.150-2 of the Treasury Regulations, declaring an intent by Aszkenazy Development, Inc. (the Developer), to undertake financing, in an amount not exceeding \$6,600,000, to finance the site acquisition and construction of San Fernando Senior Housing, a 98-unit affordable senior rental housing development to be located at three sites, known as the Las Palmas I, Las Palmas II, and Park Avenue parcels, in the City of San Fernando.
2. Authorize the Executive Director of the Housing Authority to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$6,600,000 for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of Multifamily Housing Mortgage Revenue Bonds in an aggregate amount not exceeding \$6,600,000, and to authorize the Executive Director of the Housing Authority to apply to CDLAC for a private activity bond allocation in the same amount, in order to finance acquisition and construction of 95 units of affordable senior rental housing, plus three managers' units.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The proposed bond issue will provide financing for San Fernando Senior Housing, consisting of 95 units of affordable senior housing, plus three managers' units. The project will reserve at least 20 percent of the units for households with incomes up to 50 percent of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as defined by the U.S. Department of Housing and Urban Development (HUD). The affordability requirement will remain in effect for a minimum of 30 years. Adoption of the Resolution by the Board of Supervisors approving issuance of the bonds is required prior to submission of the Housing Authority's application to CDLAC for a private activity bond allocation. This action does not authorize or commit the Housing Authority to issue or sell the bonds. The Housing Authority will return to the Board for that authorization at a later date.

Adoption of the Resolution by the Board of Commissioners of the Housing Authority announcing the intent to issue Multifamily Housing Mortgage Revenue Bonds, is required to establish a base date after which costs incurred by the Developer may be included in the construction and permanent financing obtained pursuant to issuance of the tax-exempt bonds. The Resolution is also required to complete the Housing Authority's application to CDLAC. This action does not authorize or commit the Housing Authority to issue or sell the bonds. The Housing Authority will return to the Board for that authorization at a later date.

On June 11, 2004, the Housing Authority conducted a hearing at its office, located at 2 Coral Circle in the City of Monterey Park, regarding the issuance of multifamily bonds to finance San Fernando Senior Housing, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

The attached resolutions were prepared by Orrick, Herrington & Sutcliffe, Housing Authority Bond Counsel, and approved as to form by County Counsel. At its meeting of May 19, 2004, the Housing Commission recommended approval of the proposed actions.

ENVIRONMENTAL DOCUMENTATION:

An Environmental Assessment was prepared for the San Fernando Senior Housing project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Community Development Commission on January 13, 2004. Following the required public and agency comment period, HUD issued a Release of Funds for the project on January 29, 2004.

Consistent with the provisions of the California Environmental Quality Act (CEQA) Guidelines, Article 14, Section 15221, notice was provided to the public that the Environmental Assessment would be used in place of an Initial Study to satisfy CEQA requirements. The EA/MND was circulated for public review as required by state and local law. The Board of Supervisors will adopt the findings of the EA/MND in a separate action. Adoption of the EA/MND and the MMP, and filing of a Notice of Determination, meets the requirements of CEQA.

The environmental review record is available for viewing by the public during business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

Honorable Board of Supervisors/Commissioners
June 15, 2004
Page 4

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable senior housing in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachments: 2

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF LOS ANGELES DECLARING
ITS OFFICIAL INTENT TO UNDERTAKE
THE FINANCING OF A MULTIFAMILY HOUSING PROJECT
AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the "Housing Authority") is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Aszkenazy Development, Inc. (or an affiliate or assign) (the "Borrower"), has requested that the Housing Authority issue and sell its mortgage revenue bonds pursuant to the Act to provide financing for the acquisition and construction of a multifamily rental housing development consisting of: 21 units to be located at the Las Palmas I Parcel; 25 units to be located at the Las Palmas II Parcel; and 52 units to be located at the Park Avenue Parcel, all in the City of San Fernando (the "Project"); and

WHEREAS, this Board of Commissioners of the Housing Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Housing Authority to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to authorize the issuance of mortgage revenue bonds by the Housing Authority to finance the Project (the "Bonds") in a principal amount not to exceed \$6,600,000; and

WHEREAS, the Housing Authority, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the Housing Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide financing for the Project by the issuance and sale of mortgage revenue bonds pursuant to the Act and hereby authorizes the issuance and sale of the Bonds by the Housing Authority in an aggregate principal amount not to exceed \$6,600,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Housing Authority or any officer, agent or employee of the Housing Authority will grant any approval, consent or permit which may be required in connection with the acquisition and construction of the Project or the issuance of the Bonds.
3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be agreed upon by the Housing Authority and the Borrower and the initial purchasers of the Bonds; provided, however, that the Bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the Housing Authority for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the Housing Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this Resolution does not bind the Housing Authority to make any expenditure, incur any indebtedness, or proceed with the Project.
5. The proper officers of the Housing Authority are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the Housing Authority to the issuance of the Bonds for the Project in an amount not to exceed \$6,600,000, to collect from the Borrower an amount equal to one-half of one percent (.5%) of their requested allocation, and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.

6. The proper officers of the Housing Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by this Board in the manner provided by law prior to the sale thereof.

7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2004, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairman of the
Board of Commissioners

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

Office of County Counsel

By: _____
Deputy

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE BONDS AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the "Housing Authority") intends to issue and sell not to exceed \$6,600,000 of multifamily housing revenue bonds (the "Bonds") in order to assist in financing the acquisition and construction of a multifamily rental housing development, consisting of 21 units to be located at the Las Palmas I Parcel, 25 units to be located at the Las Palmas II Parcel, and 52 units to be located at the Park Avenue Parcel, all in the City of San Fernando (the "Project"), to be owned by Aszkenazy Development, Inc. (or an affiliate or assign); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the Bonds are required to be approved prior to their issuance by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the interest on the Bonds may qualify for exclusion from gross income under Section 103 of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the Project is located wholly within the County of Los Angeles, California; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the Housing Authority within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the Housing Authority of the County of Los Angeles has, following notice duly given, held a public hearing regarding the issuance of such Bonds on June 11, 2004, and now desires that the Board of Supervisors approve the issuance of such Bonds; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board of Supervisors hereby approves the issuance of the Bonds by the Housing Authority to finance costs of the Project. It is the purpose and intent of this Board of Supervisors that this Resolution constitutes approval of the Bonds by the applicable elected representative of the issuer of the Bonds and the applicable

elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code.

3. The proper officers of the Housing Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by the Board of Commissioners of the Housing Authority in the manner provided by law prior to the sale thereof.

4. The Executive Officer-Clerk of the Board of Supervisors or a deputy thereof is directed to certify and deliver a copy of this Resolution to the Housing Authority.

5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this _____ day of _____, 2004, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Chairman of the
Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Office of County Counsel

By: _____
Deputy